

139.170 Definitions.

- (1) "Machinery for new and expanded industry" means machinery:
- (a) Used directly in a manufacturing or processing production process;
 - (b) Which is incorporated for the first time into a plant facility established in this state; and
 - (c) Which does not replace machinery in the plant facility unless that machinery purchased to replace existing machinery:
 - 1. Increases the consumption of recycled materials at the plant facility by not less than ten percent (10%);
 - 2. Performs different functions;
 - 3. Is used to manufacture a different product; or
 - 4. Has a greater productive capacity, as measured in units of production, than the machinery being replaced.

The term "machinery for new and expanded industry" does not include repair, replacement, or spare parts of any kind regardless of whether the purchase of repair, replacement, or spare parts is required by the manufacturer or vendor as a condition of sale or as a condition of warranty. The term "processing production" shall include the processing and packaging of raw materials, in-process materials, and finished products; the processing and packaging of farm and dairy products for sale; and the extraction of minerals, ores, coal, clay, stone, and natural gas.

- (2) "Manufacturing" for the purposes of this section only means any process through which material having little or no commercial value for its intended use before processing has appreciable commercial value for its intended use after processing by the machinery. The manufacturing or processing production process commences with the movement of raw materials from storage into a continuous, unbroken, integrated process and ends when the product being manufactured is packaged and ready for sale.
- (3) "Plant facility" means a single location that is exclusively dedicated to manufacturing or processing production activities. For purposes of this section, a location shall be deemed to be exclusively dedicated to manufacturing activities even if retail sales are made there, provided that the retail sales are incidental to the manufacturing activities occurring at the location. The term "plant facility" shall not include any restaurant, grocery store, shopping center, or other retail establishment.
- (4) "Repair, replacement, or spare parts" means any tangible personal property used to maintain, restore, mend, or repair machinery or equipment. "Repair, replacement, or spare parts" does not include machine oils, grease, or industrial tools.
- (5) "Recycled materials" means materials which have been recovered or diverted from the solid waste stream and reused or returned to use in the form of raw materials or products.

Effective: March 15, 2001

History: Amended 2001 Ky. Acts ch. 68, sec. 1, effective March 15, 2001. -- Amended 1994 Ky. Acts ch. 501, sec. 1, effective July 15, 1994. -- Amended 1991 (1st Extra.

Sess.) Ky. Acts ch. 12, sec. 44, effective February 26, 1991. -- Amended 1976 (1st Extra. Sess.) Ky. Acts ch. 7, sec. 1. -- Created 1960 Ky. Acts ch. 5, Art. I, sec. 17, effective February 5, 1960.